

# TRANSPARENCY INTERNATIONAL CANADA BOARD MEETING

Friday, April 2, 2004, 11:30 – 14:30 EST

Hydro One, 483 Bay Street, South Tower, 10<sup>th</sup> Floor, Board Room

## **Present:**

Wes Cragg, Chair

Bronwyn Best

Peggy Cunningham

Michael Davies

Anita Davis

Peter Harris

Joy Kennedy

Ian Marshall (by conference call)

Bob Olivero

David Selley

John Willson (by conference call)

## **Regrets:**

Clare Bonnell

Tom Goldie

John McWilliams

## **Guest:**

Huguette Labelle

## MINUTES

### **1. Nigeria Project**

Further to the information in the Background Notes, it was reported that an e-mail had just been received from TI-Norway, saying that Statoil has agreed to be a sponsor and to contribute US \$10,000 to the conference. In addition, on 1 April 2004, the Nigerian government, through their Extractive Industries Transparency Initiative Committee, approved the conference and expressed a strong interest to participate. Joy Kennedy has been added to the Nigeria Committee.

### **2. TI-Canada Corruption Survey**

This issue was not discussed.

### **3. Governance and Nominating Committee Report**

#### **▪ Recommendation re. change to By-law**

**Moved** by Ian Marshall and **seconded** by Michael Davies to accept the following revisions to the TI Canada General By-law Number 1:

#### Article 9 - Election and Term

Article 9 as presently worded will be deleted and replaced by the following:

"Subject to the provisions of this by-law, directors shall be elected for a term of three (3) years from the date of the meeting at which they are elected until the third annual meeting next following or until their successors are elected or until their earlier resignation or removal, provided that the term of the directors elected at the first annual meeting and at any subsequent annual meeting shall be such combination of one, two and three year terms as determined by the board of directors in advance of such annual meeting. Such determination of terms of office shall take into account the limitation on

the number of years that a director may serve on the board as provided in this Article 9 and otherwise will provide as closely as possible for the term of one third of the board of directors to expire at the time of each annual meeting. Nominations proposed to be made at any annual meeting of members for the election of directors must be in writing and must be filed with the secretary of the corporation at least four (4) days prior to the scheduled date for such meeting. A director who has served six (6) years on the board of directors must retire for one year before being eligible for election or appointment as a director for a further term. In no event shall a director serve, or be eligible for election or appointment to serve, as a director on the board for more than nine (9) years in total. For the purposes of this Article 9, In calculating the number of years that a director has served on the board a part year of six (6) months or less in the overall calculation shall not be included and a part year of more than six (6) months in the overall calculation shall be considered to be a full year."

### **Carried.**

- **Discussion/Decision re. new Board Members**

[The Board reviewed recommendations of the GNC with respect to Board nominations to be presented to the AGM and directed that potential nominees be approached for their concurrence.]

#### **4. TI-Canada Strategic Plan**

- **New Mission Statement**

**Moved** by Mr. Marshall and **seconded** by Ms. Kennedy to accept the new Mission, in the Strategic Plan, as follows (paragraphs 3 and 4 are to be in brackets for discussion at the next Board Meeting):

As a member of Transparency International, Transparency International Canada (TI-Canada) will contribute to the international anti-corruption movement. Corruption is operationally defined as the misuse of entrusted power for private gain. Within this broad framework of anti-corruption, our primary focus is on bribery, in Canada and abroad. As part of this mission, we will urge all levels of the Canadian government (municipal, provincial and federal), Canadian institutions and members of the private sector to take a leadership position in the domestic and international anti-corruption movement.

Two definitions are key to understanding and implementing this mission. First, Transparency International (TI) has chosen a clear and focused definition of the term "corruption." It is operationally defined as the misuse of entrusted power for private gain. TI further differentiates between "according to rule" corruption and "against the rule" corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing. Second, bribery is defined as the covert practice of offering something (money, in-kind influences, nepotism or favoritism ) in order to gain an illicit advantage.

[Transparency International Canada will focus on the following means to accomplish these ends:

As is the case with our parent organization, we will undertake the fight against corruption through coalition building, step-wise, incremental processes, and a non-confrontational stance. These three facets are critical since keeping corruption in check is only feasible if representatives from government, business and civil society work together and agree on a set of standards and procedures they all support. ]

TI-Canada will continue to develop and use its unique expertise in procurement systems, governance, auditing and auditor general function, development and implementation of codes of ethics and general ethics management to define and introduce strategies and mechanisms that make corrupt practices, if not impossible, at least unlikely and punishable, both on the national as well as on the international level. Raising public awareness of the problem, stressing that corruption is a problem that can be tackled and that it is not a given fact of life, is the first step in this direction.

**Carried.** It was **agreed** to take out the reference to “northern development” in the Glossary.

#### **5. Report of the Structure of the International Board and Secretariat For information**

There was nothing further to the Background Notes.

#### **6. OSC Call for Comments on Governance Proposals**

This issue was not discussed.

#### **7. Approval of Minutes of 30 January 2004 Board Meeting**

**Moved** by David Selley and **seconded** by Mr. Marshall to accept the Minutes of the 30 January 2004 Board Meeting, with the following amendments:

- a) 4. Governance and Nominating Committee Report, e), second sentence should read “The GNC will discuss what is signified by a “term” in the By-laws and will discuss potential changes to the By-laws, which, however, would not take place *before the AGM.*”
- b) 5. TI-Canada Strategic Plan, should read, “It was agreed that this is a living document and the word “Draft” would be put back into the title, *until such time as the TI-Canada Board has a complete document, which it will then endorse.*”

**Carried.**

#### **8. Business arising from Minutes**

There was none.

#### **9. Correspondence**

**Bronwyn Best** is to find out what “membership” in the Publish What You Pay initiative involved. **Moved** by Mr. Willson and **seconded** by Mr. Marshall that TI-Canada will sign up to the Publish What You Pay Appeal, at the discretion of the **Chair**, once the membership requirements are reviewed. **Carried.**

Ms. Best reported that letters had gone from Wes Cragg, to the Charter Members, along with the TI-Canada Draft Strategic Plan, asking for comments. **Dr. Cragg** noted he is willing to call the Charter Members and ask them if they would like to have a meeting.

#### **10. Treasurer’s Report**

- **Financials as at 29 March 2004**  
David Selley presented the TI-Canada financials as at 29 March 2004.
- **Draft Working Budget 2004**  
**Moved** by Mr. Davies and **seconded** by Peggy Cunningham to pre-approve \$800 for OAS travel and \$800 for OECD travel, contingent upon CIDA support of \$35,000 being received. **Moved** by Ms. Kennedy and **seconded** by Ms. Davis that this issue would be tabled until the next meeting. **Carried.**  
**Moved** by Mr. Selley and **seconded** by Mr. Davies to accept the three scenario Working Budget, allowing TI-Canada to move forward. **Carried.**
- **Draft Audited Financial Statements**  
**Moved** by Mr. Selley and **seconded** by John Willson to grant the Treasurer authority to approve the audited 2003 Financial Statements, once the corrections have been made to the “Membership fees and contributions” and “Conferences” lines in the “Statement of Revenue, Expenditures and Surplus – Operating Fund.” **Carried.**
- **Other business**  
There was none discussed.

#### **11. Other Business**

- **Charitable Status**  
**Peter Harris** agreed to write up advice regarding this issue and send it to the Board.
- **Marketing**  
The plan produced by Ms. Davis will be discussed at the next Board Meeting.

#### **12. Next Board Meeting**

This will be decided at a later date.

#### **13. Special Guest Huguette Labelle**

**Discussion of the work, program priorities and future directions of Transparency International and role and priorities of TI-Canada nationally and internationally**

Dr. Labelle reviewed the following priorities of TI:

- implementation/enforcement of the OECD Anti-bribery Convention
- work with the private sector on how best to apply the TI Business Principles; work with universities regarding the introduction of the Business Principles, starting with the engineering faculty

- financing of political parties – TI-Canada is in a good position, because Canada has one of the most advanced laws concerning this issue
- judicial reforms – Canada hasn't done a lot in the area, but, compared to a number of other countries, we are ahead
- sharpening of present tools, such as the various indices and the Integrity Pact
- development of new anti-corruption tools
- keep corruption on the world agenda
- strengthening of weaker National Chapters; have stronger National Chapters mentor weaker ones

#### **14. Report of Chair and President**

- View *The National* Video

There was not time to view the video.

- Other involvement with media

Dr. Cragg noted that he has had a number of recent interviews with the media.

#### **15. Report of Vice-Chair**

This issue was not discussed.

#### **16. Discussion on Report of National Coordinator**

**Moved** by Ms. Kennedy and **seconded** by Ms. Davis to accept Mr. E. Kendall Cork as an Individual Member. **Carried.**

#### **17. Reports from Board Members on TI-Canada related activities**

This issue was not discussed.

#### **18. Update on TI-Canada Symposium/AGM**

An update was provided. It was **agreed** that Dr. Cragg and Ms. Best would move forward on the symposium, keeping the Board updated.